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MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE, MARKETING AREA
May 1962

Volume 6

Number 10

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Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

JUNE DAIRY MONTH

MARKET SUMMARY MAY 1962

JUN 25 1962

CURRENT SERIAL RECORD

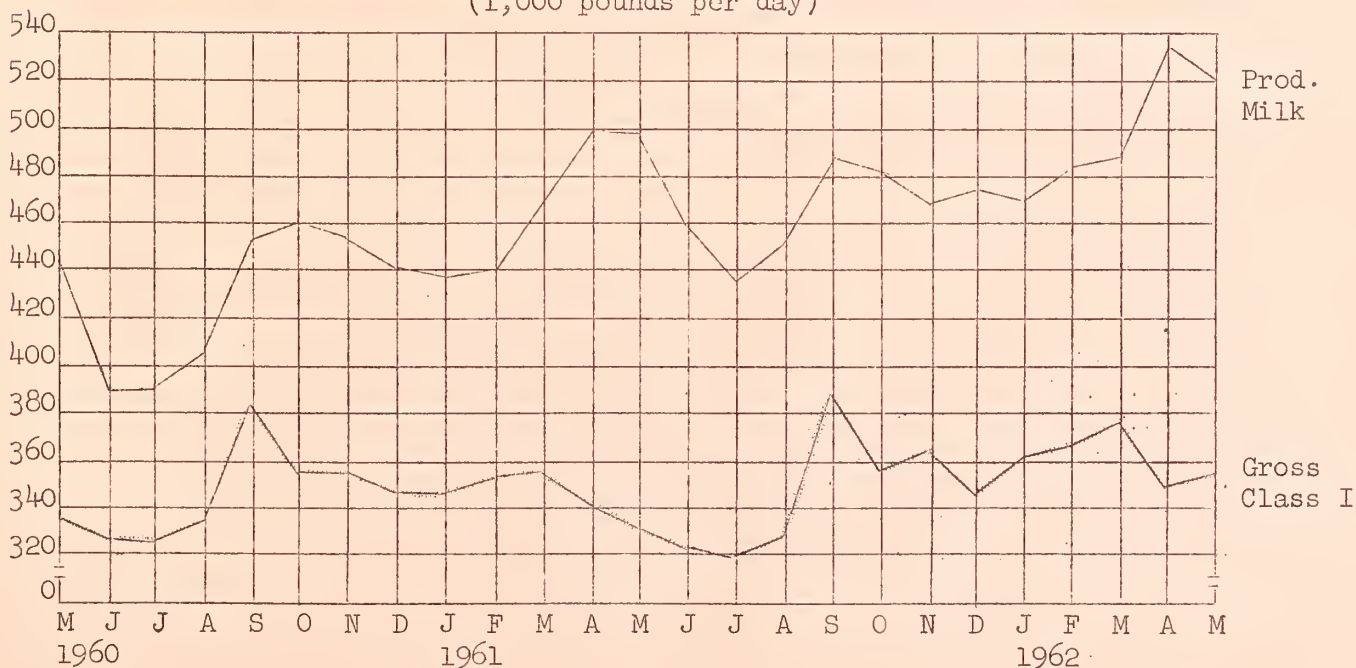
The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk \$4.48, Excess Milk \$2.96. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%.

During May, 67.4% of the 16,211,558 pounds of producer milk delivered was priced in Class I at \$4.95 per cwt. with a butterfat differential of 7.5 cents and 32.6% priced in Class II at \$3.00 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 67.7% and 59.4% respectively. Base milk was 87.9% and excess milk was 12.1% of the total producer deliveries. All excess milk and 23.4% of base milk was priced in Class II and 76.6% of base milk was priced in Class I.

The daily average deliveries of producer milk during May decreased 2.5% compared with April and increased 4.7% compared with May 1961. The daily average use of Class I milk increased 1.1% compared with April and increased 6.5% compared with May 1961. The daily average base delivered was 95.8% of the established base.

June has been proclaimed as "Dairy Month." In June of each year, a special effort by all the dairy industry is exerted to inform the public that milk is nature's most nearly perfect food. Milk contains all the food elements for growth and health.

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1,000 pounds per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>May '62</u>	<u>Apr. '62</u>	<u>May '61</u>
Number of Plants (Pool and Non-Pool)	14	14	19
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries - Base	459,802	465,332	430,079
- Excess	63,152	70,941	69,345
- Total	522,954	536,273	499,424
% May '62 compared with:	100.0	97.5	104.7
Other Source	12,670	14,489	20,408
Other Order	10,892	8,128	23,403
Total Milk Receipts	546,516	558,890	543,235
% May '62 compared with:	100.0	97.8	100.6
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	289,230	289,154	275,060
Fluid Skim	16,261	16,195	13,075
Buttermilk	39,015	36,652	36,413
Chocolate Milk	8,855	7,824	7,195
Fluid Creams (Sweet & Sour)	2,695	2,592	3,086
Bulk to Non-Handlers	-	43	53
Shrinkage Class I	1,063	654	1,079
Other	(401)	(136)	(943)
Total Class I Milk	356,718	352,978	335,018
% May '62 compared with:	100.0	101.1	106.5
Class II Uses:			
Butter	4,901	13,656	15,724
Cottage Cheese	21,018	19,731	14,511
Powdered and Condensed Milk	114,965	114,611	138,655
Ice Cream	45,325	35,438	33,395
Stockfeed	4,755	3,342	3,608
Shrinkage Class II	7,329	7,279	8,504
Other	(8,495)	11,855	(6,240)
Total Class II Milk	189,798	205,912	208,217
% May '62 compared with:	100.0	92.2	91.2
Gross Class I Butterfat Pounds	12,599	12,363	11,931
Gross Class II Butterfat Pounds	8,952	10,341	10,316
Total Butterfat Pounds	21,551	22,704	22,247
% Producer Milk of Gross Class I	146.6	151.9	149.1
% Producer Milk priced in Class I	67.4	65.0	66.2

JUNE 1962 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>June '62</u>	<u>May '62</u>	<u>June '61</u>
Basic Formula (See page 4)	\$3.42	\$3.46	\$3.61
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.26)	(0.26)	(0.20)
Class I Price, 4.0% Butterfat	\$4.91	\$4.95	\$5.16
<u>Per \$ 1090.51 (a)</u>			
Supply-Demand Comparison: 1st and 2nd preceding months: April and May			
Supply: Lbs. Producer Milk (Apr. 16,088,201 and May 16,211,558)			32,299,759
Demand: Lbs. Net Class I Milk (Apr. 10,465,500 and May 10,934,351)			21,399,851
Utilization Percentage: Producer milk divided by Class I			151
Standard Utilization Percentage: Range 134-138			138
Net Deviation Percentage: Utilization minus Standard Utilization			plus 13
Supply-Demand Adjustment: 2 cents x 13 percentage points			minus \$0.26

Since the supply in relation to the demand is more than the desired standard, the price is decreased 26 cents per hundredweight (2 cents x 13 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR MAY 1962
Based on 14 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		11,058,254	3.532		
Less Other Source		136,398	2.029		
Producer Milk Class I	67.4	10,921,856	3.550614	\$4.612961	\$503,820.96
Gross Class II		5,883,723	4.717		
Less Other Source		594,021	2.090		
Producer Milk Class II	32.6	5,289,702	5.011492	3.677700	194,539.37
TOTAL PROD. (Cl. I + Cl. II)	100.0	16,211,558	4.027287		698,360.33
Less Fractional Adjustment					.04
Add Compensatory Payment Value					29.16
Add Overage Value					165.70
Add Inventory Reclassification Value					207.35
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					7,822.86
TOTAL VALUE AT TEST		16,211,558	4.027287		706,585.36
Less Test Over 4% @ 7.2¢ per point		16,211,558	.027287	0.019647	3,185.08
TOTAL PRODUCER MILK VALUE AT 4% TEST		16,211,558	4.0		703,400.28
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,957,685	\$3.00	\$58,730.55	
Total Excess Producer Milk		1,957,685	3.00	58,730.55	
Less Prod.-Settlement Fund Res. @ 4¢		1,957,685	.04		783.07
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,957,685	2.96		57,947.48
Value of Base Milk (Total less Excess)		14,253,873	4.522769		644,669.73
Less Producer-Settlement Fund Reserve		14,253,873	.042769		6,096.24
UNIFORM BASE PRICE f.o.b. PLANT - 4%		14,253,873	\$4.48		\$638,573.49

MAY 1962 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.76	\$2.24	4.0%	\$4.48	\$2.96	5.0%	\$5.20	\$3.68
3.05	3.796	2.276	4.05	4.516	2.996	5.05	5.236	3.716
3.1	3.832	2.312	4.1	4.552	3.032	5.1	5.272	3.752
3.15	3.868	2.348	4.15	4.588	3.068	5.15	5.308	3.788
3.2	3.904	2.384	4.2	4.624	3.104	5.2	5.344	3.824
3.25	3.94	2.42	4.25	4.66	3.14	5.25	5.38	3.86
3.3	3.976	2.456	4.3	4.696	3.176	5.3	5.416	3.896
3.35	4.012	2.492	4.35	4.732	3.212	5.35	5.452	3.932
3.4	4.048	2.528	4.4	4.768	3.248	5.4	5.488	3.968
3.45	4.084	2.564	4.45	4.804	3.284	5.45	5.524	4.004
3.5	4.12	2.60	4.5	4.84	3.32	5.5	5.56	4.04
3.55	4.156	2.636	4.55	4.876	3.356	5.55	5.596	4.076
3.6	4.192	2.672	4.6	4.912	3.392	5.6	5.632	4.112
3.65	4.228	2.708	4.65	4.948	3.428	5.65	5.668	4.148
3.7	4.264	2.744	4.7	4.984	3.464	5.7	5.704	4.184
3.75	4.30	2.78	4.75	5.02	3.50	5.75	5.74	4.22
3.8	4.336	2.816	4.8	5.056	3.536	5.8	5.776	4.256
3.85	4.372	2.852	4.85	5.092	3.572	5.85	5.812	4.292
3.9	4.408	2.888	4.9	5.128	3.608	5.9	5.848	4.328
3.95	4.444	2.924	4.95	5.164	3.644	5.95	5.884	4.364

MILK SAMPLES TESTED - Producer Fresh Samples 5,928 - Handler Finished Products 187.

CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
May '61	\$4.43 ^{2/}	\$4.65	\$3.09	7.6¢	\$5.14	7.9¢	\$3.13	7.0¢
June	4.51 ^{2/}	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 ^{2/}	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	4.61	-	-	7.6	5.04	7.9	3.65	7.0
Nov.	4.74	-	-	7.6	5.14	7.9	3.65	7.0
Dec.	4.66	-	-	7.6	5.10	7.9	3.65	7.0
Jan. '62	4.74	-	-	7.6	5.16	7.9	3.65	7.0
Feb.	4.61	-	-	7.6	5.16	7.9	3.12	7.0
Mar.	4.63 ^{2/}	4.77	2.99	7.6	5.18	7.9	3.03	7.0
Apr.	4.40 ^{2/}	4.62	2.96	7.4	5.24	7.9	3.00	6.7
May	4.29 ^{2/}	4.48	2.96	7.2	4.95	7.5	3.00	6.7
June	-	-	-	-	4.91	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES

Date	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder		
May '61	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65
Oct.	3.189	60.466	15.125	35.250	3.57	3.32	3.65	3.14	3.65
Nov.	3.206	60.466	15.070	35.250	3.59	3.32	3.65	3.15	3.65
Dec.	3.194	60.466	15.275	35.250	3.57	3.32	3.65	3.15	3.65
Jan. '62	3.178	60.466	15.260	35.250	3.56	3.32	3.65	3.15	3.65
Feb.	3.139	60.466	15.200	35.250	3.52	3.32	3.65	3.12	3.65
Mar.	3.061	60.466	15.060	34.850	3.44	3.32	3.65	3.03	3.65
Apr.	2.929	57.957	14.125	33.250	3.30	3.18	3.46	3.00	3.46
May	2.896	57.966	13.530	33.062	3.26	3.17	3.42	3.00	3.42

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	Test%
May '61	19	543,235	335,018	330,864	499,424	430,079	679	736	633	103	4.17
June	17	527,227	326,883	322,856	460,325	409,710	676	681	606	75	4.16
July	16	467,128	320,886	316,645	437,762	391,235	674	649	580	69	4.11
Aug.	16	482,211	331,130	326,695	455,739	-	683	667	-	-	4.10
Sept.	16	510,882	392,792	387,850	490,621	-	684	717	-	-	4.10
Oct.	16	496,512	359,804	355,333	484,049	-	685	707	-	-	4.33
Nov.	16	485,350	367,830	363,038	472,375	-	686	689	-	-	4.39
Dec.	16	494,324	351,891	347,812	476,639	-	685	696	-	-	4.41
Jan. '62	16	486,624	364,433	359,869	473,586	-	685	691	-	-	4.40
Feb.	15	502,714	370,556	365,746	487,973	-	683	714	-	-	4.23
Mar.	15	505,938	379,758	374,849	491,393	453,152	681	722	665	57	4.22
Apr.	14	558,890	352,978	348,742	536,273	465,332	680	789	684	105	4.13
May	14	546,516	356,718	352,318	522,954	459,802	678	771	678	93	4.03

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service
Milk Marketing Orders Division
CHATTANOOGA, TENNESSEE, MARKETING AREA
Federal Order No. 90

DAIRY COUNCIL AND AMERICAN DAIRY ASSOCIATION DEDUCTIONS

The Market Administrator received a request, quoted below, from Chattanooga Area Milk Producers Association that all producers supplying milk for the Chattanooga Marketing Area be given an opportunity to continue contributing to the American Dairy Association and Dairy Council.

"Whereas, A determination was made by the Market Administrator in June 1961 that there was no substantial opposition by milk producers to the making of deductions for the support of the Dairy Council and the American Dairy Association in the Chattanooga area, and,

"Whereas, The Chattanooga Area Milk Producers Association, representing a substantial number of milk producers, continues to endorse and commend these programs, and,

"Whereas, The individual milk producer may, by written request, prevent the deductions if he does not desire to cooperate, and,

"Whereas, It is important that all Chattanooga dairymen be offered the opportunity to collectively continue supporting these educational, advertising, merchandising, research and public relations programs,

"Now, Therefore, Be It Resolved, That the Chattanooga Area Milk Producers Association request that the Market Administrator renew or continue the determination that there is no substantial opposition by milk producers in the Chattanooga area to making deductions for the support of the Dairy Council and American Dairy Association.

"Be It Further Resolved, That if the Market Administrator renews or continues the determination referred to in the preceding paragraph, deductions of 1 cent per hundredweight for Dairy Council and 2 cents per hundredweight for American Dairy Association be continued until further action by the Board."

The Market Administrator has made a review of current producer deductions and the Associations' request. By these and other means, as in accordance with the Secretary's instructions, it is hereby determined there is no significant opposition by Area milk producers to making deductions for the support of these programs.

It is now possible as a result of this determination for Chattanooga Area handlers to cooperate with American Dairy Association and Dairy Council programs by making specific hundredweight deductions (1¢ DC and 2¢ ADA) from payments to milk producers, provided the handler gives each producer advance notice of his intentions to make these deductions for one year beginning July 1962. The producer association and all handlers are advised not to make a deduction if a producer writes requesting that no such deduction be made. My office will examine all letters which producers send handlers or the Association regarding these deductions. We will also verify that the proper agency receives all money deducted for its support from producer payments.

Date: June 4, 1962

/s/ J. B. McCroskey
Market Administrator

The following pool and non-pool plants filed a report and were subject to Federal Order No. 90 regulation for the period of May 1962:

<u>Pool Plants (10)</u>	<u>Address</u>
Associated Dairies, Inc.	Chattanooga, Tennessee
Chattanooga Area Milk Prod. Assn.	Chattanooga, Tennessee
Cunninghams Dairy	Rossville, Georgia
Grant-Patten Milk Co., Inc.	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Rossville, Georgia
C. D. Haslerig & Sons Dairy	Chickamauga, Georgia
The Home Stores, Inc.	Sale Creek, Tennessee
Mayfield Dairy Farms, Inc.	Athens, Tennessee
Ray Moss Farms, Inc.	Chattanooga, Tennessee
Sealtest Foods-Southern Division	Chattanooga, Tennessee

<u>Non-Pool Plants (4)</u>	<u>Address</u>
Nance's Dairy, Inc.	Ringgold, Georgia
French Broad Dairy, Inc.*	Knoxville, Tennessee
Miss Tennessee Dairy, Inc.*	Knoxville, Tennessee
Stoffell's Dairy, Inc.*	Knoxville, Tennessee

* These handlers, subject to another Federal Order, had route distribution in the marketing area during May 1962. Data relative to these handlers was furnished the Market Administrator of Order No. 90 by the Market Administrator of Order No. 101 under which the handlers are fully regulated.